

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

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**BILL DRAFT 2011-SVz-11 [v.2] (02/15)**

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)**

**2/15/2012 4:21:55 PM**

Short Title: Establish Efficiency & Cost-Savings Commn.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO ESTABLISH THE JOINT LEGISLATIVE EFFICIENCY AND  
COST-SAVINGS IN STATE GOVERNMENT STUDY COMMISSION AS  
RECOMMENDED BY THE LRC COMMITTEE ON EFFICIENCIES IN STATE  
GOVERNMENT.

The General Assembly of North Carolina enacts:

**SECTION 1.** There is established the Joint Legislative Efficiency and  
Cost-Savings in State Government Study Commission.

**SECTION 2.** The Commission shall be composed of 10 members appointed as  
follows:

- (1) Five Senators appointed by the President Pro Tempore of the Senate.
- (2) Five Representatives appointed by the Speaker of the House of  
Representatives.

Vacancies on the Commission shall be filled by the appointing authority. The  
President Pro Tempore of the Senate and the Speaker of the House of Representatives shall  
each designate a cochair. A quorum of the Commission shall be a majority of its members.

The Commission may meet at any time upon call of the chairs. The Commission  
may meet in the Legislative Building or the Legislative Office Building. The Commission may  
contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Commission, while in the discharge of its official duties, may exercise all  
powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the  
power to request all officers, agents, agencies, and departments of the State to provide any  
information, data, or documents within their possession, ascertainable from their records, or  
otherwise available to them, and the power to subpoena witnesses and documents.

The Director of the Fiscal Research Division shall provide staff support to assist the  
Commission in its work. The Director of the Program Evaluation Division shall advise the  
Commission. The Legislative Services Commission, through the Legislative Services Officer,  
shall assign other professional staff to assist the Commission in its work. The House of  
Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the  
Commission, and the expenses relating to the clerical employees shall be borne by the  
Commission. Members of the Commission shall receive subsistence and travel expenses at the  
rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.



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1           **SECTION 3.** The Commission shall use a zero-based budgeting review process to  
2 study whether there are obsolete programs, cost-reduction opportunities in State government,  
3 and any cases where existing funds can be redirected to meet new and changing demands for  
4 public services. At its first meeting, the Commission shall determine which agency or agencies  
5 to review. The Commission may require any agency under review to submit written  
6 information in a form specified by the Commission by a specified time. The Commission may  
7 accept or reject any or part of any information submitted and require revision or resubmission.  
8 The Commission may require information as follows:

- 9           (1) Identification of decision units. – The agency shall identify decision units  
10           representing any group of services with a common set of objectives or  
11           comprising an agency program or administrative support unit.
- 12           (2) Impact of discontinuing each decision unit. – The agency shall provide a  
13           quantitative estimate of any adverse impacts that could reasonably be  
14           expected should the State discontinue a decision unit, together with a full  
15           description of the methods by which the adverse impact is estimated.
- 16           (3) Division of decision units into decision packages. – The agency shall divide  
17           each decision unit into the following four discrete decision packages:
  - 18           a. Minimum. – A quantitative estimate of any adverse impacts that  
19           could reasonably be expected and an itemized account of  
20           expenditures that would be required to maintain the activity at the  
21           minimum level of service required by any statutory authorization and  
22           below which would effectively eliminate all services, together with a  
23           concise statement of the resulting quantity and quality of services.  
24           This service level shall be below the level described by  
25           sub-subdivision b. of this subdivision.
  - 26           b. Reduced. – A quantitative estimate of any adverse impacts that could  
27           reasonably be expected and an itemized account of expenditures that  
28           would be required if funding were reduced by the percentage or  
29           amount specified by the Commission below the current level as  
30           defined by sub-subdivision c. of this subdivision and a concise  
31           statement of the resulting quantity and quality of services.
  - 32           c. Current. – A quantitative description of benefits from and an  
33           itemized account of expenditures that would be required to maintain  
34           the activity at the current level of service, together with a full  
35           description of the methods by which the current level is determined  
36           and a concise statement of the resulting quantity and quality of  
37           services.
  - 38           d. Enhanced. – A quantitative estimate of benefits that could reasonably  
39           be expected and an itemized account of expenditures that would be  
40           required to increase the current level of service, together with a full  
41           description of the methods by which the enhanced level is estimated  
42           and a concise statement of the resulting quantity and quality of  
43           services.
- 44           (4) Service delivery alternatives. – For each decision package, a description of  
45           alternative methods for delivering services which may include, but not be  
46           limited to, shedding one or more services and relying upon the free market  
47           for delivery, delegation to another level of government, using Requests for  
48           Information or competitive selection to outsource to private for-profit or  
49           nonprofit organizations, in whole or in part, including franchising, assisting  
50           or providing incubator arrangements for current State employees to form

1 non-State organizations to compete for outsourcing opportunities, or through  
2 methods used by other states or nations.

3 (5) Ranking. – As instructed by the Commission, a ranking of all decision  
4 packages compared with each other without ties.

5 **SECTION 4.** The Commission shall make an interim report to the 2013 Regular  
6 Session of the 2011 General Assembly and shall make a final report to the 2014 General  
7 Assembly. The reports may include any proposed legislation. The Commission shall terminate  
8 upon filing its final report or upon the convening of the 2014 General Assembly, whichever is  
9 earlier.

10 **SECTION 5.** This act is effective when it becomes law.